

Senate Bill No. 976

CHAPTER 328

An act to amend Section 22050 of the Financial Code, relating to finance lenders.

[Approved by Governor September 14, 2012. Filed with
Secretary of State September 14, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

SB 976, Vargas. Finance lenders: exemptions.

Existing law, the California Finance Lenders Law, provides for the licensure and regulation of finance lenders and brokers by the Department of Financial Institutions. Existing law exempts specified entities from the provisions of the California Finance Lenders Law.

This bill would add community advantage lenders, as defined, to the list of entities exempted from the provisions of this law.

The people of the State of California do enact as follows:

SECTION 1. Section 22050 of the Financial Code is amended to read:

22050. (a) This division does not apply to any person doing business under any law of any state or of the United States relating to banks, trust companies, savings and loan associations, insurance premium finance agencies, credit unions, small business investment companies, community advantage lenders, California business and industrial development corporations, or licensed pawnbrokers.

“Community advantage lender” means an entity authorized by the United States Small Business Administration to deliver community advantage loans.

(b) This division does not apply to a check casher who holds a valid permit issued pursuant to Section 1789.37 of the Civil Code when acting under the authority of that permit, and shall not apply to a person holding a valid license issued pursuant to Section 23005 of the Financial Code when acting under the authority of that license.

(c) This division does not apply to a college or university making a loan for the purpose of permitting a person to pursue a program or course of study leading to a degree or certificate.

(d) This division does not apply to a broker-dealer acting pursuant to a certificate then in effect and issued pursuant to Section 25211 of the Corporations Code.

(e) This division does not apply to any person who makes no more than one loan in a 12-month period as long as that loan is a commercial loan as defined in Section 22502.

(f) This division does not apply to any public corporation as defined in Section 67510 of the Government Code, any public entity other than the state as defined in Section 811.2 of the Government Code, or any agency of any one or more of the foregoing, when making any loan so long as the public corporation, public entity, or agency of any one or more of the foregoing complies with all applicable federal and state laws and regulations.

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